

# 02 Personal tax

## CHAPTER 02

### OVERVIEW

For the 2009–10 income year:

- 12.4 million individuals lodged income tax returns, an increase of around 88,000 from 2008–09
- individuals declared total income of \$605.6 billion, an increase of 3.7% over 2008–09. This included \$460.7 billion in salary and wages
- individuals claimed \$29.7 billion in total deductions, a decrease of 6.1% from 2008–09. This included \$17.1 billion in work-related expenses
- 10.6 million individuals received tax offsets and credits totalling \$24.4 billion
- individuals had taxable income of \$577.5 billion, an increase of 4.2% over 2008–09, and net tax payable of \$120.0 billion
- total higher education loan debt increased to \$19.9 billion, an increase of 11.7% from 2008–09
- individuals declared \$122.7 billion in tax that was paid or withheld prior to lodging their tax return on income received during the income year
- individuals had \$23.9 billion refunded or otherwise paid out after they lodged their income tax return, and \$11.0 billion was required to be paid by other individuals to meet their annual tax liabilities.

### INTRODUCTION

An individual is required to lodge an income tax return for many reasons. Two of the more common reasons are if they paid tax during the year, or if their taxable income exceeded certain amounts.

The purpose of the tax return is to calculate the difference between the tax withheld during the year and the amount of tax actually due. This results in either a refund or an amount payable.

Individuals have from 1 July to 31 October each year to lodge their tax return, unless it is prepared by a registered tax agent. In this case, the deadline may be extended under the particular tax agent's lodgment program for that year of income, but generally not later than 15 May in the following calendar year.

## NEW FEATURES AND INFORMATION

Statistics for the 2009–10 income year reported in this chapter may have been affected by:

- the change in personal tax thresholds
- reforms to some entitlements such as tax offsets, deductions and tax concessions, the Medicare levy surcharge and Higher Education Loan Program (HELP) or Student Financial Supplement Scheme (SFSS) repayment amounts
- the change in definition of a spouse to include same-sex couples
- the change in treatment of income earned in overseas employment
- the changes to the tax treatment of employee share schemes.

The following labels were added to the 2010 individual tax return:

- Interest and dividend deductions are now reported separately (page 3)
  - interest deductions (item D7, label I)
  - dividend deductions (item D8, label H)
- Superannuation co-contribution adjustments (page 5)
  - income from investment, partnerships and other sources (item A3, label F)
  - income from employment and business (item A3, label G)
  - deductions from business income (item A3, label H)
- Income test labels (page 5)
  - total reportable fringe benefits (item IT1, label W), moved from income section
  - reportable employer superannuation contributions (item IT2, label T)
  - tax-free government pensions (item IT3, label U)
  - target foreign income (item IT4, label V)
  - net financial investment loss (item IT5, label X)
  - net rental property loss (item IT6, label Y)
  - child support you paid (item IT7, label Z)
- Spouse details – married or de facto (page 6)
  - amount of your spouse's reportable superannuation contributions (label A)
  - your spouse's amount of any tax-free government pensions paid under the Military Rehabilitation and Compensation Act 2004 that have not been included in Q above (label B)
  - your spouse's target foreign income (label C)
  - your spouse's total net investment loss (label D)
  - child support your spouse paid (label E)
  - your spouse's taxed element of a superannuation lump sum for which the tax rate is zero (label F)
- Foreign source income and foreign assets or property (page 8)
  - other net foreign employment income (item 20, label T)
  - net foreign employment income – payment summary (item 20, label U)

- Employee share schemes (page 3)
  - total assessable discount amount (item 12, label B)
  - moved from supplementary income section
  - discount from taxed upfront schemes – eligible for reduction (item 12, label D)
  - discount taxed upfront schemes – not eligible for reduction (item 12, label E)
  - discount from deferral schemes (item 12, label F)
  - assessable discount on shares acquired pre-1 July 2009 and 'cessation time' occurred during the financial year (item 12, label G)
  - TFN amounts withheld from discounts (item 12, label C)
  - foreign source discounts (item 12, label A)

A new table has been added to this chapter (table 2.18), showing a break-up of outstanding HELP debt balances, by the size of the balance, for the 2009–10 income year.

## PERSONAL TAX RETURNS

For the 2009–10 income year, 12.4 million individuals lodged returns. These individuals represented 55% of the total estimated Australian population of 22.3 million as at 30 June 2010 (Australian Bureau of Statistics, *Australian demographic statistics*, June 2010, Cat. No. 3101.0).

**Table 2.1** Individuals' returns, 2008–09 and 2009–10 income years

	2008–09 <sup>1</sup>			2009–10 <sup>1</sup>		
	e-tax	Agent and other <sup>2</sup>	Total	e-tax	Agent and other <sup>2</sup>	Total
<b>By method of lodging</b>						
Agent	0	8,757,811	8,757,811	0	8,786,513	8,786,513
Self-preparer	2,313,698	1,220,206	3,533,904	2,351,241	1,242,274	3,593,515
<b>Total</b>	<b>2,313,698</b>	<b>9,978,017</b>	<b>12,291,715</b>	<b>2,351,241</b>	<b>10,028,787</b>	<b>12,380,028</b>
<b>By tax status</b>						
Taxable	1,752,060	7,436,746	9,188,806	1,721,871	7,384,096	9,105,967
Non-taxable	561,638	2,541,271	3,102,909	629,370	2,644,691	3,274,061
<b>Total</b>	<b>2,313,698</b>	<b>9,978,017</b>	<b>12,291,715</b>	<b>2,351,241</b>	<b>10,028,787</b>	<b>12,380,028</b>
<b>By sex</b>						
Male	1,143,098	5,191,963	6,335,061	1,156,252	5,224,483	6,380,735
Female	1,170,600	4,786,054	5,956,654	1,194,989	4,804,304	5,999,293
<b>Total</b>	<b>2,313,698</b>	<b>9,978,017</b>	<b>12,291,715</b>	<b>2,351,241</b>	<b>10,028,787</b>	<b>12,380,028</b>
<b>By state</b>						
NSW	692,014	3,226,109	3,918,123	691,514	3,241,446	3,932,960
VIC	501,219	2,540,273	3,041,492	510,257	2,569,674	3,079,931
QLD	521,610	1,965,927	2,487,537	525,406	1,961,502	2,486,908
WA	267,879	1,042,374	1,310,253	274,889	1,052,821	1,327,710
SA	180,573	720,762	901,335	185,492	721,404	906,896
TAS	52,356	224,475	276,831	53,283	223,020	276,303
ACT	72,080	152,537	224,617	73,275	154,580	227,855
NT	19,767	92,161	111,928	19,718	91,118	110,836
Unknown	6,200	13,399	19,599	17,407	13,222	30,629
<b>Total</b>	<b>2,313,698</b>	<b>9,978,017</b>	<b>12,291,715</b>	<b>2,351,241</b>	<b>10,028,787</b>	<b>12,380,028</b>
<b>By age</b>						
<18	65,427	168,713	234,140	56,446	151,739	208,185
18–24	587,017	1,046,118	1,633,135	533,893	1,069,737	1,603,630
25–29	399,811	913,120	1,312,931	412,881	935,919	1,348,800
30–34	284,585	949,166	1,233,751	302,640	942,566	1,245,206
35–39	233,553	1,107,829	1,341,382	248,018	1,085,461	1,333,479
40–44	182,689	1,080,329	1,263,018	194,483	1,081,032	1,275,515
45–49	174,291	1,122,649	1,296,940	179,891	1,111,293	1,291,184
50–54	146,245	1,011,991	1,158,236	155,516	1,023,985	1,179,501
55–59	110,441	883,685	994,126	119,014	887,204	1,006,218
60–64	70,953	697,641	768,594	80,430	720,391	800,821
65–69	29,606	380,965	410,571	34,848	397,760	432,608
70–74	13,078	233,062	246,140	15,173	238,537	253,710
75 or more	16,002	382,749	398,751	18,008	383,163	401,171
<b>Total</b>	<b>2,313,698</b>	<b>9,978,017</b>	<b>12,291,715</b>	<b>2,351,241</b>	<b>10,028,787</b>	<b>12,380,028</b>

<sup>1</sup> Data for the 2008–09 and 2009–10 income years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

<sup>2</sup> 'Other' includes self-prepared paper returns and self-prepared telephone lodgments.

## PRE-FILLING

Pre-filling partially completes an individual's income tax return with information the ATO already has. The pre-filling service became available to individuals for the 2007–08 income year after a pilot program was run for the 2006–07 income year. This service is available to self-preparers through *e-tax* and for tax agents is available as a report via the Tax Agent Portal.

From 2008–09 to 2009–10 the number of requests for pre-filling information has increased for both *e-tax* and the tax agent portal, by 9.9% and 2.9% respectively.

**Table 2.2** Number of pre-fill requests for individuals, 2008–09 and 2009–10 income years

Channel	2008–09 <sup>1</sup> No.	2009–10 <sup>1</sup> No.
<i>e-tax</i> <sup>2,3</sup>	2,166,467	2,380,191
tax agent portal	7,831,277	8,057,704
<b>Total</b>	<b>9,997,744</b>	<b>10,818,098</b>

1 Data for the 2008–09 and 2009–10 income years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

2 For 2008–09 *e-tax* was available between 1 July 2009 and 4 January 2010. For 2009–10, *e-tax* was available between 1 July 2010 and 30 May 2011. The number of pre-filling requests for each income year is limited by the availability of *e-tax*.

3 The statistics for *e-tax* represent the number of times pre-filing data has been requested in *e-tax*. The data may include multiple pre-fill requests by the same taxpayer.

## PERSONAL INCOME

For the 2009–10 income year, individuals had total income of \$605.6 billion and taxable income of \$577.5 billion, an increase of 3.7% and 4.2% respectively from 2008–09. The average taxable income for all individuals increased by 3.4% to \$48,027.

Salary and wages was the most common type of income reported in 2009–10 (representing 76.1% of total income), with 78.2% of individuals reporting income from this source.

**Table 2.3** Individuals' total and taxable income, 2008–09 and 2009–10 income years

Income	No.	\$m <sup>2</sup>	2008–09 <sup>1</sup> Average	No.	\$m <sup>2</sup>	2009–10 <sup>1</sup> Average
			\$			\$
<b>Total income</b>	<b>12,135,028</b>	<b>583,839</b>	<b>48,112</b>	<b>12,228,279</b>	<b>605,561</b>	<b>49,521</b>
Male	6,306,185	360,253	57,127	6,350,305	373,875	58,875
Female	5,828,843	223,586	38,359	5,877,974	231,687	39,416
<b>Taxable income</b>	<b>11,928,453</b>	<b>554,222</b>	<b>46,462</b>	<b>12,024,110</b>	<b>577,479</b>	<b>48,027</b>
Male	6,202,859	340,840	54,949	6,248,225	355,314	56,866
Female	5,725,594	213,382	37,268	5,775,885	222,165	38,464

1 Data for the 2008–09 and 2009–10 income years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

2 Totals may differ from the sum of the components due to rounding.

**Table 2.4** Source of individuals' income, 2008–09 and 2009–10 income years

Source of income <sup>1</sup>	No.	2008–09 <sup>2</sup> \$m	No.	2009–10 <sup>2</sup> \$m
<b>Australian income</b>				
Salary and wages	9,643,634	441,565	9,680,306	460,699
Net partnership and trust distributions	2,081,872	37,356	2,053,084	38,464
Net business income	1,052,057	19,217	1,085,908	21,655
Gross dividends	3,076,309	20,182	3,080,015	18,673
Gross interest	6,095,035	14,166	6,190,726	11,167
Net capital gains	518,334	10,389	541,898	10,979
Franking credits	3,020,851	8,329	3,013,069	7,623
Allowances, benefits, earnings and tips	2,087,459	7,182	2,145,875	7,266
Commonwealth of Australia pensions and allowances	703,778	5,606	711,446	5,979
Australian annuities and super income streams – taxable component: untaxed element	205,022	4,886	203,197	5,009
Commonwealth of Australia benefits and payments	888,000	4,218	945,369	4,793
Eligible termination payments – taxable component	194,132	2,666	175,590	2,318
Net personal services income	97,489	1,855	109,330	2,136
Australian super lump sum payments – taxable component: taxed element	82,428	1,898	87,953	1,821
Total deferred losses <sup>3</sup>	156,195	1,392	164,738	1,759
Employer lump sum payments – assessable in full (amount A)	191,509	2,013	144,743	1,676
Australian annuities and super income streams – taxable component: taxed element	117,913	1,722	120,245	1,571
Employee share schemes election assessable amount of the discounts	5,740	112	43,045	1,396
Other income category 1 <sup>4</sup>	255,425	1,437	345,706	983
Other income category 2 <sup>5</sup>	117,436	847	119,627	576
Attributed personal services income	8,307	265	13,201	371
Australian super lump sum payments – taxable component: untaxed element	10,972	288	13,681	302
Net farm management withdrawals or deposits	20,794	–37	20,184	133
Forestry managed investment scheme income	1,809	15	3,301	29
Australian annuities and super income streams – lump sum in arrears – untaxed element	1,126	10	887	9
Employer lump sum payments – 5% assessable (5% of amount B)	15,667	8	13,721	7
Australian annuities and super income streams – lump sum in arrears: taxed element	910	7	772	5
Life insurance bonuses	1,454	8	1,075	5
Australian franking credits from a New Zealand company	5,186	1	4,773	1
Net rent	1,692,444	–6,528	1,751,679	–4,810
<b>Foreign source income</b>				
Other foreign income	849,738	1,450	805,925	1,122
Other net foreign employment income <sup>6</sup>	n.a.	n.a.	21,706	968
Net foreign pension or annuity without an undeducted purchase price <sup>6</sup>	n.a.	n.a.	52,517	455
Foreign pension or annuity income with an undeducted purchase price	52,688	423	50,453	365
Net foreign rent	18,192	29	24,290	38
Attributed foreign income	10,596	23	11,118	16
Foreign employment and pension or annuity income without an undeducted purchase price <sup>7</sup>	62,887	837	n.a.	n.a.
<b>Total<sup>8</sup></b>	<b>12,135,028</b>	<b>583,839</b>	<b>12,228,279</b>	<b>605,561</b>

- 1 Definitions for the different sources of income are in the personal tax return form guide on the attached CD-ROM or the ATO website.
- 2 Data for the 2008–09 and 2009–10 income years includes data processed up to 31 October 2010 and 31 October 2011 respectively.
- 3 These losses are added back in to total income to offset losses reported that must be deferred. For more information, see question 'P9 Business loss activity details' in *Business and professional items 2009*.
- 4 Includes 'other salary and wages category 1' and 'other income n.e.i. (not elsewhere included) category 1'.
- 5 Includes 'other salary and wages category 2' and 'other income n.e.i. (not elsewhere included) category 2'.
- 6 New label added to the 2009–10 tax return.
- 7 Label removed inform the 2009–10 tax return.
- 8 Components do not add to the total number of taxpayers as taxpayers may declare more than one type of income. The total income amount shown in this table is the sum of components as shown by taxpayers on their annual income tax returns. It is not necessarily the total income calculated by the ATO during assessment. Totals may differ from the sum of the components due to rounding.

## RENTAL INCOME AND DEDUCTIONS

For the 2008–09 and 2009–10 income years, rental deductions were greater than total rental income, resulting in overall negative net rental income. Of individuals declaring net rental income, 80.2% claimed rental interest deductions.

**Table 2.5** Individuals' rental income and deductions, 2008–09 and 2009–10 income years

Rental income/deductions	No.	2008–09 <sup>1</sup>	No.	2009–10 <sup>1</sup>
		\$m		\$m
Gross rental income	1,675,615	26,072	1,731,126	28,028
Less rental interest deductions	1,356,687	19,377	1,405,510	18,359
capital works deductions	635,686	1,519	684,470	1,694
other rental deductions	1,678,430	11,704	1,736,860	12,785
<b>Net rental income<sup>2</sup></b>	<b>1,692,444</b>	<b>–6,528</b>	<b>1,751,679</b>	<b>–4,810</b>

- 1 Data for the 2008–09 and 2009–10 income years includes data processed up to 31 October 2010 and 31 October 2011 respectively.
- 2 Components do not add to the total number of taxpayers claiming rental deductions as taxpayers may claim more than one type of deduction. Totals may differ from the sum of the components due to rounding.

For the 2009–10 income year, 63.4% of individuals with net rental income reported a taxable loss (net rental income less than zero) from their rental property.

**Table 2.6** Individuals' net rental income, by taxable income, 2009–10 income year

Taxable income	No.	Net rental income less than \$0	Net rental income greater than or equal to \$0		No.	Total \$m
		\$m	No.	\$m		
\$6,000 or less	101,910	–1,096	50,322	208	152,232	–887
\$6,001–\$35,000	245,852	–1,822	231,276	1,684	477,128	–138
\$35,001–\$80,000	477,522	–3,776	224,143	1,756	701,665	–2,020
\$80,001–\$180,000	236,753	–2,436	109,354	1,135	346,107	–1,300
\$180,001 or more	48,885	–1,015	25,662	551	74,547	–465
<b>Total<sup>1</sup></b>	<b>1,110,922</b>	<b>–10,145</b>	<b>640,757</b>	<b>5,334</b>	<b>1,751,679</b>	<b>–4,810</b>

<sup>1</sup> Totals may differ from the sum of the components due to rounding.

Most individuals with an interest in a rental property complete a rental property schedule for each property. An interest in a property means either solely owned, jointly owned, or part-year owned (for example, bought or sold a property during the year). The majority of individuals (72.8%) had an interest in only one rental property.

**Table 2.7** Individuals with an interest in a rental property, 2008–09 and 2009–10 income years

Property interests	2008–09 <sup>1</sup> No.	2009–10 <sup>1</sup> No.
1	1,195,856	1,239,959
2	294,158	307,514
3	88,296	92,834
4	32,011	33,501
5	13,329	14,141
6 or more	14,158	14,844
<b>Total</b>	<b>1,637,808</b>	<b>1,702,793</b>

<sup>1</sup> Data for the 2008–09 and 2009–10 income years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

## PERSONAL DEDUCTIONS

Deductions are subtracted from assessable (or total) income to give taxable income, from which tax is calculated. Deductions fall into four main categories:

- business deductions
- investment deductions
- work-related deductions
- other deductions, which include gifts, film industry incentives, self-employment deductions and expenses such as the cost of managing tax affairs.

There are also various types of income that are not included in total income. They are not technically deductions, but have a similar effect in that an individual's taxable income is lower by not including these items in total income. For example, certain capital gains are not included because capital losses are applied against the gain, or there is a concession, an exemption or discount to be applied against the total gain.

The most common deduction remains work-related expenses, with 65.6% of all taxpayers claiming this deduction. The amount of work related expenses claimed during 2009–10 increased by 4.7% to \$17.1 billion, while the amount of non-employer sponsored super fell by 38.1% when compared to 2008–09.

**Table 2.8** Individuals' deductions and income not included in total income, by type, 2008–09 and 2009–10 income years

Type of deduction	No.	2008–09 <sup>1</sup> \$m	No.	2009–10 <sup>1</sup> \$m
<b>Deductions section of main return</b>				
Work-related expenses	8,022,742	16,362	8,118,628	17,132
Non-employer sponsored super	193,121	6,200	181,264	3,840
Interest and dividends <sup>2</sup>	874,828	3,168	n.a.	n.a.
Interest <sup>3</sup>	n.a.	n.a.	515,293	1,405
Dividends <sup>3</sup>	n.a.	n.a.	289,547	1,432
Gifts or donations	4,649,646	2,093	4,400,786	1,964
Cost of managing tax affairs	5,734,042	1,838	5,671,852	2,017
Forestry managed investment scheme	12,987	148	14,001	93
Low-value pool	262,963	110	271,099	110
Undeducted purchase price of foreign pensions or annuities	43,965	50	40,612	42
Film industry incentives	1,490	2	1,694	3
Election expenses	1,987	6	1,846	5
Project pool	795	2	963	2
Other	553,381	1,694	591,696	1,700
<b>Total deductions section<sup>4</sup></b>	<b>9,899,045</b>	<b>31,673</b>	<b>9,944,569</b>	<b>29,747</b>
<b>Other items not included in the 'Deductions' section above or included in total income</b>				
<b>Business and professional items schedule deductions</b>				
Total business expenses	1,010,850	75,899	1,036,770	78,415
Reconciliation items deductions	102,090	1,413	107,018	2,755
Deferred non-commercial business losses	50,796	604	57,725	740
Personal services income deductions	57,463	291	60,918	317
<b>Total<sup>4</sup></b>	<b>1,071,646</b>	<b>78,208</b>	<b>1,103,847</b>	<b>82,227</b>
<b>Income section deductions</b>				
Total rental deductions	1,686,703	32,600	1,745,755	32,838
Partnership and trusts distribution deductions	443,352	2,543	431,201	2,417
Farm management deposits	10,088	441	8,061	313
<b>Total<sup>4</sup></b>	<b>2,033,057</b>	<b>35,584</b>	<b>2,078,187</b>	<b>35,568</b>
<b>Prior-year losses applied to current year income</b>				
Prior-year losses	93,371	1,479	95,686	1,665
<b>Components of income not included in total income</b>				
Capital gains not included in income (total gains less net capital gains) <sup>5</sup>	661,452	16,422	703,705	16,868
Exempt foreign employment income	22,796	1,714	7,319	376
Amount on which family trust distribution tax has been paid	487	6	411	5
<b>Total<sup>4</sup></b>	<b>682,569</b>	<b>18,142</b>	<b>710,695</b>	<b>17,248</b>

<sup>1</sup> Data for the 2008–09 and 2009–10 income years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

<sup>2</sup> Label removed from the 2009–10 tax return.

<sup>3</sup> New label added to the 2009–10 tax return.

<sup>4</sup> Components do not add to the total number of taxpayers claiming deductions as taxpayers may claim more than one type of deduction. Totals may differ from the sum of components due to rounding.

<sup>5</sup> The total current year capital gain of an individual can be reduced by applying current or prior-year capital losses, the 50% general capital gains discount, the small business 50% active asset reduction or the small business retirement exemption or small business rollover. The resulting gain is an individual's net capital gain and is included in income. This item represents the value of those reductions.



Individuals can claim more than one type of work-related expense, with the most common types being clothing (uniform) and 'other work-related expenses'.

**Table 2.9** Individuals' work-related expenses, 2008–09 and 2009–10 income years

Work-related expense	No.	2008–09 <sup>1</sup> \$m	No.	2009–10 <sup>1</sup> \$m
<b>Motor vehicle (car)</b>				
Cents per kilometre	2,375,149	4,082	2,465,657	4,321
Log book	263,209	2,336	265,787	2,358
12% of original value	32,974	156	33,433	160
1/3 of actual expenses	10,593	34	11,391	35
Not stated	33,251	52	33,877	53
<b>Total<sup>2</sup></b>	<b>2,715,176</b>	<b>6,660</b>	<b>2,810,145</b>	<b>6,927</b>
<b>Clothing (uniform)</b>				
Compulsory	2,805,897	668	2,853,391	698
Protective	1,931,873	529	1,946,200	546
Occupation specific	473,238	136	463,455	137
Non-compulsory	396,288	78	415,531	84
Not stated	125,043	32	118,607	33
<b>Total<sup>2</sup></b>	<b>5,732,339</b>	<b>1,443</b>	<b>5,797,184</b>	<b>1,497</b>
<b>Self-education</b>				
Direct connection with employment	455,289	831	447,229	824
Improve skill or income of current employment	66,774	143	76,901	167
Other direct connection	9,083	13	129,370	83
Not stated	27,319	25	19,362	30
<b>Total<sup>2</sup></b>	<b>558,465</b>	<b>1,012</b>	<b>672,862</b>	<b>1,103</b>
<b>Other travel</b>	<b>878,494</b>	<b>1,491</b>	<b>1,026,210</b>	<b>1,649</b>
<b>Other work-related expenses</b>	<b>6,110,487</b>	<b>5,756</b>	<b>6,184,115</b>	<b>5,956</b>
<b>TOTAL WORK-RELATED EXPENSES<sup>2</sup></b>	<b>8,022,742</b>	<b>16,362</b>	<b>8,118,628</b>	<b>17,132</b>

<sup>1</sup> Data for the 2008–09 and 2009–10 income years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

<sup>2</sup> Components do not add to the total number of taxpayers claiming work-related expenses as taxpayers may claim more than one type of work-related expense. Totals may differ from the sum of the components due to rounding.

## BUSINESS INCOME AND EXPENSES

There was a 4.0% increase in income from business operations in 2009–10 to \$115.4 billion, while the number of individuals reporting income from business operations increased by 1.4% from 2008–09.

**Table 2.10** Individuals with business income, by type, 2008–09 and 2009–10 income years

Type of income	2008–09 <sup>1</sup>		2009–10 <sup>1</sup>	
	No.	\$m	No.	\$m
Gross payments where ABN not quoted	2,659	79	2,595	93
Gross payments subject to foreign resident withholding	442	39	473	32
Gross payments – voluntary agreement	7,227	297	6,378	261
Gross payments – labour hire or other specified payments	6,507	154	7,780	180
Assessable government industry payments	27,748	305	29,007	357
Other business income	987,165	95,634	1,024,990	100,825
Total business income <sup>2</sup>	1,005,567	96,508	1,044,386	101,748
Other business type income <sup>3</sup>	538,509	14,362	521,366	13,605
<b>Total income from business operations<sup>4</sup></b>	<b>1,506,805</b>	<b>110,870</b>	<b>1,528,620</b>	<b>115,353</b>

<sup>1</sup> Data for the 2008–09 and 2009–10 income years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

<sup>2</sup> 'Total business income' here refers to the total business income in item P8 of the 2010 Business and professional items schedule for individuals.

<sup>3</sup> The term 'other business type income' in this table refers to the sum of distributions from partnerships primary production, distributions from partnerships non-primary production, distributions from trusts primary production and net farm management withdrawals less deposits. Distributions from trusts non-primary production generally comprise income from investments, and thus has not been included in identifying taxpayers with net business income.

<sup>4</sup> Components do not add to the total number of taxpayers as taxpayers may earn more than one type of business income. Totals may differ from the sum of the components due to rounding.

Individuals claimed business expenses worth \$77.3 billion in 2009–10, an increase of 3.0% from 2008–09. Cost of sales remained the largest expense claimed, accounting for 48.2% of total business expenses.

**Table 2.11** Individuals' business expenses, by type, 2008–09 and 2009–10 income years

Type of expense	No.	2008–09 <sup>1</sup> \$m	No.	2009–10 <sup>1</sup> \$m
Cost of sales	248,329	35,234	254,955	37,219
Other expenses	958,454	24,667	981,578	24,802
Motor vehicle	676,687	3,448	696,656	3,511
External labour	115,281	2,874	120,920	3,044
Depreciation	603,901	2,569	614,233	2,720
Rent	166,155	2,366	168,113	2,471
Interest	220,793	1,927	216,171	1,760
Repairs and maintenance	259,308	764	258,715	756
Superannuation	72,667	690	72,065	598
Lease expenses	33,265	388	30,559	310
Bad debts	8,583	49	8,721	56
Foreign resident withholding expenses	184	7	359	12
<b>Total<sup>2,3</sup></b>	<b>1,011,176</b>	<b>74,983</b>	<b>1,038,079</b>	<b>77,261</b>
Salary and wages in expenses <sup>4</sup>	72,441	3,559	71,848	3,624
Small business and general business tax break <sup>5</sup>	80,138	724	80,730	960

1 Data for the 2008–09 and 2009–10 income years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

2 Components do not add to the total number of individuals claiming business expenses as individuals may claim more than one type of business expense. Totals may differ from the sum of the components due to rounding.

3 Refers to the total expenses in item P8 of the 2010 *Business and professional items schedule for individuals*.

4 Refers to item P13 on the 2010 *Business and professional items schedule for individuals*.

5 Refers to item P8, reconciliation items label F on the 2010 *Business and professional items schedule for individuals*.

## PERSONAL TAX OFFSETS AND CREDITS

The purpose of tax offsets is to provide tax relief for certain individuals – for example, low-income earners or senior Australians. Tax offsets reduce the amount of tax payable on taxable income. Credits are for tax already paid by the individual or by a company or trustee on behalf of the individual.

Tax offsets are either refundable or non-refundable. Non-refundable tax offsets can reduce the amount of tax owing to \$0, but cannot generate a refund. This can cause situations where the full value of non-refundable offsets that an individual has claimed cannot be fully utilised. While an individual's potential entitlement to a tax offset is referred to as the amount claimed, the actual amount used to offset an individual's tax owing is referred to as the amount of tax offset allowed.

For the 2009–10 income year, tax offsets and credits totalled \$24.4 billion, a 1.2% decrease from 2008–09. The most common tax offset was the low income tax offset, which was received by almost 7.9 million individuals.

**Table 2.12** Selected tax offsets and credits claimed/calculated by the ATO, 2008–09 and 2009–10 income years

Type of tax offset and credit	No.	2008–09 <sup>1</sup> \$m	No.	2009–10 <sup>1</sup> \$m
<b>Tax offsets claimed on return</b>				
Refundable				
Total franking credits <sup>2</sup>	3,376,796	11,583	3,362,713	10,918
Education tax refund	1,035,831	639	1,067,764	671
Private health insurance tax offset	253,177	178	269,632	190
Share of national rental affordability scheme <sup>3</sup>	178	..	269	1
Non-refundable				
Spouse tax offset	376,980	627	372,975	633
Medical expenses tax offset	822,480	526	908,460	597
Superannuation contribution, annuity and pension tax offset	233,049	597	236,100	587
Zone or overseas forces tax offset	583,533	256	584,410	259
Parent/parent in-law/invalid relative tax offset	31,430	46	32,012	47
Super contributions on behalf of spouse tax offset	16,455	6	15,972	6
Other tax offsets	1,431	4	1,341	5
Landcare and water tax offset brought forward from previous year tax offset <sup>3</sup>	179	..	231	..
<b>Total<sup>4</sup></b>	<b>5,485,088</b>	<b>14,463</b>	<b>5,560,598</b>	<b>13,913</b>
<b>Selected tax offsets calculated by the ATO</b>				
Refundable				
First child (baby bonus <sup>5</sup> ) tax offset	60,118	24	n.a.	n.a.
Non-refundable				
Low income tax offset	8,108,754	6,851	7,891,495	6,998
Termination payment tax offset	151,361	884	141,025	767
Senior Australians tax offset	612,290	880	625,452	916
Mature age worker tax offset	1,291,987	555	1,350,433	565
Pension or pensioner tax offset	304,394	377	252,368	378
Entrepreneurs' tax offset	402,485	177	371,448	163
Commonwealth of Australia benefits and allowances tax offset <sup>6</sup>	271,778	142	307,094	155
Averaging tax offset	75,139	111	70,809	95
Life assurance (insurance) bonus tax offset	1,421	2	908	1
<b>Total<sup>4</sup></b>	<b>8,863,582</b>	<b>10,004</b>	<b>8,685,815</b>	<b>10,038</b>
<b>Selected credits claimed</b>				
Foreign tax credits	625,442	218	606,455	429
Section 100(2) <sup>7</sup> credits	2,518	15	6,545	23
<b>Total<sup>4</sup></b>	<b>627,146</b>	<b>233</b>	<b>610,748</b>	<b>452</b>

1 Data for the 2008–09 and 2009–10 income years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

2 The sum of primary franking credits (item 11, label U on the 2010 individual return) and the partnership and trust share of franking credits from franked dividends (item 13, label Q on the 2010 individual return).

3 '..' means rounded to zero but not zero.

4 Components do not add to the total number of taxpayers claiming tax offsets or credits as taxpayers may claim more than one type of tax offset or credit. Totals may differ from the sum of the components due to rounding.

5 The number of taxpayers who claimed the baby bonus tax offset reported includes taxpayers who may not have lodged an individual tax return but lodged only the baby bonus claim form. This tax offset is no longer available in 2009–10.

6 Also referred to as 'beneficiary tax offset'.

7 The total share of credits for tax paid by a trustee.

22

CHAPTER  
02

Taxation statistics 2009–10 // Personal tax

## MEDICARE

Most individuals, except those with low family incomes, who are residents of Australia at any time during the income year, are liable to pay a Medicare levy based on their taxable income for the year. The Medicare levy is calculated at 1.5% of an individual's taxable income, but this amount may be reduced in certain circumstances.

Individuals and families who have adjusted taxable incomes above certain thresholds and who do not have adequate private hospital cover, pay an extra 1% of their taxable income for the Medicare levy surcharge, in addition to the normal 1.5% Medicare levy.

For the 2009–10 year, the total Medicare levy and Medicare levy surcharge increased by 4.2% to \$7.9 billion.

**Table 2.13** Medicare levy and Medicare levy surcharge, 2008–09 and 2009–10 income years

	2008–09 <sup>1</sup>		2009–10 <sup>1</sup>	
	No.	\$m	No.	\$m
Medicare levy	8,309,478	7,393	8,286,888	7,702
Medicare levy surcharge	193,649	169	201,761	175

<sup>1</sup> Data for the 2008–09 and 2009–10 income years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

## PERSONAL NET TAX

**Box 2.1** Calculating net tax for individuals

**Net tax** in this chapter refers to the net tax individuals are liable to pay before applying any refundable items. Individual net tax for 2009–10 is calculated as:

	Income
less	Allowable deductions
<i>gives</i>	<i>Taxable income or loss</i>
apply	Marginal tax rates
add	Extra income tax <sup>1</sup>
<i>gives</i>	<i>Gross tax</i>
subtract	Total tax offsets <sup>2</sup>
add	Medicare levy
add	Medicare levy surcharge
<i>gives</i>	<i>Net tax<sup>3</sup></i>

<sup>1</sup> For example, the amount of tax added to ordinary tax when a primary producer's average income exceeds taxable income.  
<sup>2</sup> Total tax offsets do not include refundable items for example franking credits and the education tax refund.  
<sup>3</sup> This part of the calculation cannot result in an amount that is less than \$0.

**NOTE**  
Net tax does not equate to tax payable. After the net tax is calculated, refundable items such as PAYG withholding amounts and refundable tax offsets are then credited to give the tax payable or refundable.

In the 2009–10 income year, a total of 9.1 million taxpayers (both Australian residents and non-residents for tax purposes) were liable for \$120.3 billion in net tax (see tables 2.14 and 2.15). Residents were liable for \$120.0 billion (99.7%) of the net tax payable, while non-residents were liable for \$0.3 billion.

The tax-free threshold for Australian residents remained at \$6,000 in 2009–10. Where a taxpayer's residency status changes, the threshold is apportioned in accordance with the month during the year that they cease to be a resident or, in the case of an immigrant, that they commence residency.

**Box 2.2** Personal income tax rates for residents, 2009–10 income year

Taxable income	Tax payable
\$0–\$6,000	0% or \$0
\$6,001–\$35,000	Nil plus 15 cents for each \$1 over \$6,000
\$35,001–\$80,000	\$4,350 plus 30 cents for each \$1 over \$35,000
\$80,001–\$180,000	\$17,850 plus 38 cents for each \$1 over \$80,000
\$180,001 or more	\$55,850 plus 45 cents for each \$1 over \$180,000

**Table 2.14** Resident individuals' net tax payable, by taxable income, 2009–10 income year

Taxable income	Taxpayers <sup>1</sup>		Net tax payable	
	No.	%	\$m	%
\$6,000 or less	2,381	0.0%	2	0.0%
\$6,001–\$35,000	2,768,550	30.5%	4,754	4.0%
\$35,001–\$80,000	4,720,998	52.1%	46,296	38.6%
\$80,001–\$180,000	1,365,914	15.1%	40,167	33.5%
\$180,001 or more	208,708	2.3%	28,796	24.0%
<b>Total<sup>2</sup></b>	<b>9,066,551</b>	<b>100.0%</b>	<b>120,015</b>	<b>100.0%</b>

1 The taxpayer population includes only taxable resident individuals – that is, those with net tax payable of more than \$0.

2 The percentage totals may differ from the sum of the components due to rounding.

**Box 2.3** Personal income tax rates for non-residents, 2009–10 income year

Taxable income	Tax payable
\$0–\$35,000	29 cents for each \$1
\$35,001–\$80,000	\$10,150 plus 30 cents for each \$1 over \$35,000
\$80,001–\$180,000	\$23,650 plus 38 cents for each \$1 over \$80,000
\$180,001 or more	\$61,650 plus 45 cents for each \$1 over \$180,000

**Table 2.15** Non-resident individuals' net tax payable, by taxable income, 2009–10 income year

Taxable income	Taxpayers <sup>1</sup>		Net tax payable	
	No.	%	\$m	%
\$35,000 or less	33,573	85.2%	84	27.0%
\$35,001–\$80,000	3,445	8.7%	51	16.4%
\$80,001–\$180,000	1,695	4.3%	62	19.9%
\$180,001 or more	706	1.8%	114	36.7%
<b>Total<sup>2</sup></b>	<b>39,419</b>	<b>100.0%</b>	<b>311</b>	<b>100.0%</b>

1 The taxpayer population includes only taxable non-resident individuals – that is, those with net tax payable of more than \$0.

2 The totals may differ from the sum of the components due to rounding.

## HIGHER EDUCATION LOAN PROGRAM AND STUDENT FINANCIAL SUPPLEMENT SCHEME

Australian students have a choice of payment methods for each semester's university fees:

- full payment up front to the institution
- a deferred repayment to the Australian Government through the tax system.

The Higher Education Loan Program (HELP) system started in 2005, and replaced the older Higher Education Contribution Scheme (HECS). If repaying through the tax system, students are not liable to repay amounts until their HELP repayment income reaches a minimum level. For the 2009–10 income year, the minimum level was \$43,151, up from \$41,595 in 2008–09.

The HELP repayment income is calculated as the sum of the following amounts:

- taxable income
- total reportable fringe benefits amounts
- total net investment loss (which includes net rental loss)
- any exempt foreign employment income amounts
- reportable super contributions.

An additional scheme that operated between 1993 and 2003, called the Student Financial Supplement Scheme (SFSS), allowed certain students access to loans with similar terms and conditions to those available via HELP. While new loans were not made available after 2003, individuals with these loans are still required to make compulsory repayments if their repayment income is above a specified amount – \$43,151 for the 2009–10 income year. Repayments are withheld from refunds as necessary.

For the 2009–10 income year, there was a 1.7% increase in the number of individuals required to make HELP repayments upon assessment, and the amount required to be repaid increased by 5.5%.

**Table 2.16** HELP and SFSS debt required to be repaid, 2008–09 and 2009–10 income years

Debt	2008–09 <sup>1</sup>		2009–10 <sup>1</sup>	
	No.	\$m	No.	\$m
HELP assessment debt	346,703	1,119	352,553	1,181
SFSS debt	48,959	82	43,593	76

<sup>1</sup> Data for the 2008–09 and 2009–10 income years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

The total HELP debt payable is the amount of debt raised since 1989 that had not been repaid by the end of 2008–09 and 2009–10. Total HELP debt payable grew by 11.7% from 2008–09 to 2009–10, with the number of people who have a total HELP debt growing by 6.6%.

**Table 2.17** Total HELP debt payable, by sex and state/territory of residence<sup>1</sup>, 2008–09 and 2009–10 financial years

	No.	2008–09 <sup>2</sup> \$m	No.	2009–10 <sup>2</sup> \$m
<b>Female</b>				
NSW	236,287	2,927	255,721	3,338
VIC	220,046	2,827	235,295	3,162
QLD	168,848	2,066	179,643	2,294
WA	79,501	942	83,958	1,031
SA	58,573	701	61,782	768
ACT	18,344	240	19,302	261
TAS	17,730	195	18,485	212
NT	7,818	83	8,053	88
Overseas/unknown	9,670	115	10,204	124
<b>Total<sup>3</sup></b>	<b>816,817</b>	<b>10,097</b>	<b>872,443</b>	<b>11,277</b>
<b>Male</b>				
NSW	168,037	2,351	181,212	2,683
VIC	151,935	2,191	161,670	2,447
QLD	105,920	1,452	111,356	1,613
WA	51,668	699	54,294	758
SA	39,301	536	41,296	588
ACT	14,225	202	14,985	222
TAS	11,705	144	12,133	154
NT	4,196	48	4,256	51
Overseas/unknown	8,110	101	8,524	109
<b>Total<sup>3</sup></b>	<b>555,097</b>	<b>7,724</b>	<b>589,726</b>	<b>8,626</b>
<b>TOTAL<sup>3</sup></b>	<b>1,371,914</b>	<b>17,821</b>	<b>1,462,169</b>	<b>19,903</b>

1 The address used to derive the state/territory is the most current address we have on file. This may be different from the address during these financial years.

2 Data for the 2008–09 and 2009–10 financial years does not include nil balances.

3 Totals may differ from the sum of the components due to rounding.



Of the individuals with an outstanding HELP debt at the end of the 2009–10 income year, 45.0% of people had a HELP debt of \$10,000 or less.

**Table 2.18** Outstanding HELP debt balances, by size of outstanding balance, 2009–10 financial year

Outstanding HELP debt	2009–10 <sup>1</sup> No.
\$1,000 and under	53,243
\$1,000.01–\$2,000	73,110
\$2,000.01–\$4,000	148,693
\$4,000.01–\$6,000	152,516
\$6,000.01–\$8,000	123,762
\$8,000.01–\$10,000	106,949
\$10,000.01–\$12,000	103,732
\$12,000.01–\$14,000	99,469
\$14,000.01–\$16,000	103,442
\$16,000.01–\$18,000	90,327
\$18,000.01–\$20,000	74,069
\$20,000.01–\$30,000	224,071
\$30,000.01–\$40,000	71,669
\$40,000.01–\$50,000	21,976
Over \$50,000	15,141
<b>Total</b>	<b>1,462,169</b>

<sup>1</sup> Only includes clients with an outstanding balance greater than zero as at 30 June 2010.

Tables 2.19, 2.20 and 2.21 do not include people who had a Commonwealth supported place but did not have a debt because they paid their HELP fees up front. As at the end of 2009–10, a total of 2.5 million individuals have participated in the HELP scheme.

**Table 2.19** Activity relating to HELP debt between 1989 and 30 June 2010

Activity relating to HELP debt since 1989	No.	\$m
Debt incurred <sup>1</sup>	2,548,653	27,910
Indexation	2,429,733	3,977
Compulsory repayments made	1,541,858	–9,738
Voluntary repayments made	482,467	–1,981
Voluntary repayment bonuses <sup>2</sup>	437,431	–247
Write-off	11,035	–59
Other accounting adjustments	40,292	41
<b>Net HELP debt<sup>3</sup></b>	<b>2,548,653</b>	<b>19,903</b>

<sup>1</sup> HELP debt incurred refers to an amount of HELP debt posted to an individual's HELP debt. Each semester, debt is posted as one amount. During an income year, an individual can incur a HELP debt for one or more semesters.

<sup>2</sup> The bonus for voluntary repayments was introduced on 1 January 1996. A bonus of 15% of the voluntary repayment was given for voluntary repayments of \$500 or more. The bonus was reduced to 10% of the voluntary repayment from 1 January 2005.

<sup>3</sup> Components do not add to the total number of taxpayers as taxpayers may have had more than one activity relating to their account.

Of the 2.5 million individuals who have or previously had a HELP debt, 42.2% have paid off their debt while 39.2% are yet to make their first repayment. Of those yet to make their first repayment, the majority are those with debts less than three years old.

**Table 2.20** Number of individuals, by status of HELP debt, between 1989 and 30 June 2010

Status of HELP debt	No.	%
Paid off	1,075,692	42.2%
Written off	10,792	0.4%
Paying off	465,687	18.3%
No repayments		
debt less than 3 years old <sup>1</sup>	636,201	25.0%
debt more than 3 but less than 5 years old <sup>1</sup>	91,230	3.6%
debt more than 5 years old <sup>1</sup>	269,051	10.6%
<b>Total<sup>2</sup></b>	<b>2,548,653</b>	<b>100.00%</b>

<sup>1</sup> Debt is aged based on the last debt posting.

<sup>2</sup> Totals may differ from the sum of the components due to rounding.

Individuals who finished repaying their HELP debt by 30 June 2010 took 7.9 years on average to repay their debt.

**Table 2.21** Average time taken to make a repayment, by repayment type, for individuals who made a repayment between 1989 and 30 June 2010

Average time by repayment type	Days	Years
Average time to make first compulsory repayment <sup>1</sup>	1,849	5.1
Average time to make first voluntary repayment <sup>2</sup>	2,555	7.0
<b>Average time to repay debt (for those that repay)<sup>3</sup></b>	<b>2,888</b>	<b>7.9</b>

<sup>1</sup> Calculated by averaging across all individuals who have made a compulsory repayment the amount of time in days between the first date a compulsory repayment posting was effective and the date a debt posting was first effective for them.

<sup>2</sup> Calculated by averaging across all individuals who have made a voluntary repayment the amount of time in days between the first date a voluntary repayment posting was effective and the date a debt posting was first effective for them.

<sup>3</sup> Calculated by averaging across all individuals who have repaid their debt, the amount of time in days between the last effective date on an individual's account which causes the debt to be paid and the date a debt posting was first effective for them. Excludes debts that were written off.

## WITHHOLDING TAX

Withholding tax is an amount withheld by a payer that is paid to the ATO in the name of the payee. For many payments it is compulsory for tax to be withheld by the payer, but in some circumstances individuals can choose whether to have tax withheld from a payment for them or to vary the amount withheld.

Of all individuals who lodged a tax return in the 2009–10 income year, 85.1% reported withholding tax to a total value of \$122.7 billion, an increase of 3.4% from 2008–09.

**Table 2.22** Tax withholding claimed by individuals on their income tax return, 2009–10 income year

Type of withholding	Non-taxable		Taxable <sup>1</sup>		Total <sup>2</sup>	
	No.	\$m	No.	\$m	No.	\$m
<b>Income</b>						
Total tax withheld <sup>3</sup>	1,671,351	1,852	8,080,011	107,305	9,751,362	109,157
Tax file number (TFN) amounts withheld from gross interest	84,948	15	295,698	63	380,646	77
TFN amounts withheld from dividends	17,171	2	56,177	8	73,348	10
<b>Partnerships and trusts</b>						
Credit for tax withheld where ABN not quoted <sup>4</sup>	770	..	1,997	4	2,767	4
Credit for TFN amounts withheld from interest, dividends, trusts	13,058	4	47,220	19	60,278	23
Share of credit for tax paid by trustee	1,235	1	5,310	22	6,545	23
Share of credit foreign resident withholding <sup>4</sup>	741	..	2,058	2	2,799	2
<b>Personal services income</b>						
Tax withheld – voluntary agreement	668	1	3,815	32	4,483	33
Tax withheld where ABN not quoted <sup>4</sup>	138	..	657	2	795	2
Tax withheld – labour hire or other	6,015	5	31,222	192	37,237	197
<b>Net income or loss from business</b>						
Tax withheld – voluntary	872	2	4,969	48	5,841	50
Tax withheld where ABN not quoted <sup>4</sup>	214	..	664	2	878	2
Tax withheld – labour or other	1,056	1	5,073	33	6,129	34
Tax withheld – foreign resident withholding <sup>4</sup>	38	..	371	7	409	7
<b>Other income</b>						
Credit for PAYG income tax instalments	119,426	415	1,117,653	12,687	1,237,079	13,102
Tax withheld – lump sum payments in arrears <sup>4</sup>	402	..	2,032	8	2,434	8
<b>Total<sup>2</sup></b>	<b>1,836,501</b>	<b>2,299</b>	<b>8,696,505</b>	<b>120,433</b>	<b>10,533,006</b>	<b>122,732</b>

<sup>1</sup> Taxable individuals are individuals whose net tax was greater than zero.

<sup>2</sup> Components do not add to the total number of taxpayers as taxpayers may have claimed more than one type of withholding. Totals may differ from the sum of the components due to rounding.

<sup>3</sup> Total tax withheld is the label on page 2 of the individual income tax return which is the sum of the tax withheld boxes on that page.

<sup>4</sup> '..' means rounded to zero but not zero.

Of individuals lodging an application to vary their income tax withholding in the 2009–10 income year, a majority (69.4%) listed negatively geared real estate as one of their reasons for requesting a variation.

**Table 2.23** Reasons listed for variation on income tax withholding variation applications, 2008–09 and 2009–10 income years

Reasons for variation	2008–09 No.	2009–10 No.
Negatively geared real estate	52,133	41,348
Allowances	15,818	14,403
Allowable deductions	3,483	2,984
Other negative gearing: bonds/shares/managed funds/infrastructure	2,807	2,259
Other investments	642	504
Two or more employers: general	488	425
Prior-year losses	385	387
Other reasons: excess tax instalment deductions, entitled to tax credit	447	383
Taxable income is below the tax-free threshold	470	381
Real estate – owned by a trust	456	374
Other negative gearing: other	356	255
Commission sales	117	102
Mobile certificate	60	75
Higher Education Loan Program	93	51
Director's fees	12	38
Super	15	27
Student Financial Supplement Scheme	11	4
<b>Total<sup>1</sup></b>	<b>66,991</b>	<b>59,618</b>

<sup>1</sup> Components do not add to the total number of taxpayers as taxpayers are able to list up to four reasons to vary their income tax withholding.

## TAX RETURN ASSESSMENTS

The lodgment of an individual's tax return will generally result in a refund to the individual due to excess withholding credits, applications of deductions, offsets, refundable offsets and franking credits or a debit assessment. For the 2009–10 income year 83.6% of individuals received a refund, with the majority of these being refunds of less than \$2,000.

**Table 2.24** Tax refund or debit assessment for individuals, 2008–09 and 2009–10 income years

Refund/debit	No.	2008–09 <sup>1</sup> \$m	No.	2009–10 <sup>1</sup> \$m
Refund of \$10,000 or more	251,241	–5,078	234,802	–4,538
Refund between \$8,000 and \$9,999	142,608	–1,267	144,251	–1,280
Refund between \$6,000 and \$7,999	314,557	–2,155	327,221	–2,242
Refund between \$4,000 and \$5,999	776,267	–3,771	798,775	–3,887
Refund between \$2,000 and \$3,999	2,101,796	–5,894	2,156,777	–6,044
Refund between \$1 and \$1,999	6,724,869	–5,895	6,682,463	–5,927
<b>Total refunds<sup>2</sup></b>	<b>10,311,338</b>	<b>–24,060</b>	<b>10,344,289</b>	<b>–23,918</b>
No refund or debit	550,486	0	609,967	0
Debit between \$1 and \$2,000	778,369	561	750,004	547
Debit between \$2,001 and \$4,000	231,985	665	228,584	655
Debit between \$4,001 and \$6,000	111,443	548	110,222	542
Debit between \$6,001 and \$8,000	68,243	473	68,617	476
Debit between \$8,001 and \$10,000	47,725	427	47,811	428
Debit of \$10,001 or more	192,126	7,230	220,534	8,327
<b>Total debits<sup>2</sup></b>	<b>1,429,891</b>	<b>9,903</b>	<b>1,425,772</b>	<b>10,975</b>
<b>TOTAL<sup>2</sup></b>	<b>12,291,715</b>	<b>–14,156</b>	<b>12,380,028</b>	<b>–12,943</b>

<sup>1</sup> Data for the 2008–09 and 2009–10 income years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

<sup>2</sup> Totals may differ from the sum of the components due to rounding.

## SOURCE OF PERSONAL TAX STATISTICS

The statistics in this chapter are sourced from 2009 and 2010 individual income tax returns processed by 31 October 2010 and 31 October 2011 respectively, and their associated schedules. The statistics reported are not necessarily complete as the proportion of tax returns processed by 31 October each year can vary. The statistics relating to HELP debt in this chapter are sourced from HELP debt transactions from 1989 to 30 June 2010. We recommend you exercise caution when comparing the statistics for the current year and previous years.

Statistics reported in the detailed tables have been updated for the 1999–2000 to 2009–10 income years to include returns processed by 31 October 2011. These statistics cannot be compared to those in previous editions of *Taxation statistics*.

A copy of the individual return form is in the appendix. You can view or download it in PDF file format from the attached CD-ROM or from the online version of *Taxation statistics* on our website at [www.ato.gov.au](http://www.ato.gov.au)

## PERSONAL TAX CHAPTER TABLES

The personal tax chapter tables are now on the attached CD-ROM and included in the online version of this publication on our website. You can now view or download all the chapter tables in Excel.

## LIST OF PERSONAL TAX DETAILED TABLES

The following personal tax detailed tables are on the attached CD-ROM and included in the online version of this publication on our website. You can view or download the tables as Excel files.

To find out whether a particular item is included in a detailed table, refer to the personal tax detailed tables index included on the attached CD-ROM and in the online version of this publication. The table index lists the different items shown in the detailed tables and specifies the tables they appear in.

### Table 1 Selected items, by sex and state/territory of residence, 2009–10 income year

This table shows the number of taxable, non-taxable, male, female and all personal taxpayers for each state and territory. It also shows the total income, taxable income, net tax payable, average taxable income, average net tax payable, work-related expenses, gifts or donation deductions, total deductions claimed, total business expenses claimed, HELP assessment debts, SFSS assessment debts, and the Medicare levy and Medicare levy surcharge.

### Table 2 Selected items, by state/territory/region, 2009–10 income year

This table shows the number of records and amounts for selected income, deductions, tax offsets and other return items of personal taxpayers living in specified regions within different states and territories (for example, major urban, other urban, regional high-urbanisation, regional low-urbanisation, rural and other regions in New South Wales). A region is composed of postcodes grouped together according to specified population ranges.

- **Part A: Taxable individuals** – reports data for taxable individuals only – that is, personal taxpayers with net tax payable of more than \$0.
- **Part B: Non-taxable individuals** – reports data for non-taxable individuals only – that is, personal taxpayers with net tax payable less than or equal to \$0.
- **Part C: All individuals** – reports data for all personal taxpayers.

**Table 3 Selected items, by state/territory and postcode, for taxable individuals, 2009–10 income year**

This table shows the number of records and amounts for selected income, deductions, tax offsets and other return items of taxable personal taxpayers living in different postcodes (residential postcodes declared by taxpayers on their returns) for each state and territory. In addition, the number of non-taxable individuals residing in different postcodes is shown. The data for each state and territory is presented in separate parts:

- **Part A: New South Wales** – includes data on taxpayers living in residential postcodes in New South Wales
- **Part B: Victoria** – includes data on taxpayers living in residential postcodes in Victoria
- **Part C: Queensland** – includes data on taxpayers living in residential postcodes in Queensland
- **Part D: South Australia** – includes data on taxpayers living in residential postcodes in South Australia
- **Part E: Western Australia** – includes data on taxpayers living in residential postcodes in Western Australia
- **Part F: Tasmania** – includes data on taxpayers living in residential postcodes in Tasmania
- **Part G: Northern Territory** – includes data on taxpayers living in residential postcodes in the Northern Territory
- **Part H: Australian Capital Territory, other taxpayers and total taxpayers** – includes data on taxpayers living in residential postcodes in the Australian Capital Territory. This part also includes data on taxpayers who are living overseas, taxpayers who did not state their residential postcode on their return, taxpayers living in other grouped postcodes and total taxpayers.

**Table 4 Selected items, by fine industry, 2009–10 income year**

This table shows the number of records and amounts for selected items from personal taxpayer returns. Taxpayers and the data are classified into fine industry groupings (determined by the taxpayer's main source of income) based on the ANZSIC 2006 industry groups.

- **Part A: ATO calculated and miscellaneous items** – contains data on ATO calculated items such as HELP assessment debt, Medicare levy surcharge, net tax and balance payable or refundable. This part also contains the total number of personal taxpayers who lodged returns.
- **Part B: Income, credits, selected deductible, withheld and adjustment items** – contains taxpayer claimed income items, selected deductible and withheld items (items 1–24 on pages 2–3, and 7–8), adjustments items (A1 on page 5 and A4 on page 9) and selected credit items – including 'Credit for interest on early payments' (item C1 on page 9).
- **Part C: Deduction and tax loss items** – contains taxpayer claimed deductions (items D1–D16 on pages 3 and 9) and tax loss items – including tax losses of earlier years claimed (item L1 on page 3).
- **Part D: Tax offset items** – contains tax offsets claimed by taxpayers on their return (items T1–T14 on pages 4 and 9) and other tax offsets calculated by the ATO on behalf of taxpayers.
- **Part E: Business and professional items** – contains items from the business and professional items schedule for individuals.

❗ To meet privacy regulations, statistics for some items are not reported by fine industries in the different parts of this table. Statistics on items showing a low number of records are reported in table 10 (Selected items, by broad industry).

**Table 5 All items, by taxable income, 2009–10 income year**

This table shows the number of records and amounts for items taxpayers declare on their personal tax return and items calculated by the ATO, based on information provided on the return. Taxpayers and the data are classified by taxable status (non-taxable and taxable) and are grouped by taxable income.

- **Part A: ATO calculated and miscellaneous items** – contains data on ATO calculated items such as HELP assessment debt, Medicare levy surcharge, net tax and balance payable or refundable. This part also contains the total number of personal taxpayers who lodged returns.
- **Part B: Income, credits, selected deductible, withheld and adjustment items** – contains taxpayer claimed income items, selected deductible and withheld items (items 1–24 on pages 2–3, and 7–8), adjustments items (A1 on page 5 and A4 on page 9) and selected credit items – including ‘Credit for interest on early payments’ (item C1 on page 9).
- **Part C: Deduction and tax loss items** – contains taxpayer claimed deductions (items D1–D16 on pages 3 and 9) and tax loss items – including tax losses of earlier years claimed (item L1 on page 3).
- **Part D: Tax offset items** – contains tax offsets claimed by taxpayers on their return (items T1–T14 on pages 4 and 9) and other tax offsets calculated by the ATO on behalf of taxpayers – such as the averaging tax offset.
- **Part E: Business and professional items** – contains items from the business and professional items schedule for individuals.

**Table 6 Number of individuals, by broad industry and state/territory/region, 2009–10 income year**

This table shows the number of personal taxpayers classified by broad industry in specified regions in different states and territories (for example, major urban, other urban, regional-high urbanisation, regional-low urbanisation, rural and other regions in New South Wales). A region category is composed of postcodes grouped together according to specified population ranges. The broad industry groups used to classify personal taxpayers are based on the ANZSIC 2006 industry groups.

**Table 7 Selected items for income years 1978–79 to 2009–10**

This table shows the number of records and amounts for selected items from the individual tax return (including items calculated by the ATO) for all income years between 1978–79 and 2009–10.

**Table 8 Non-resident individuals selected items, by taxable income, 2009–10 income year**

This table shows the number of records and amounts for selected items from the individual tax return of non-resident taxpayers only. For this table, taxpayers and the data are grouped by taxable income.

**Table 9 One percentile distribution, by taxable income, 2009–10 income year**

This table shows a distribution of taxable income, total income, net tax and number of taxpayers. Taxable income is distributed across 100 quantiles, with each quantile containing 1% of the total number of taxpayers. The table shows the number of male and female taxpayers, and the amount and proportion of total income, taxable income and net tax for each quantile.

**Table 10 Selected items, by broad industry, 2009–10 income year**

This table shows the number of records and amounts for selected items that are not included in personal tax detailed table 4 (Selected items, by fine industry). Taxpayers and the data are classified into broad industry groupings (determined by the taxpayer's main source of business income) based on the ANZSIC 2006 industry groups.

**Table 11 Selected items, by age, sex, taxable status and taxable income, 2009–10 income year**

This table shows the number of male, female and total personal taxpayers classified into different age brackets (from ‘under 18’ to ‘75 years and over’) and broken down by taxable income. The pension income, net tax payable, taxable income and total income of male, female and total taxpayers in the different age brackets and taxable income ranges are also shown.



**Table 12 Selected items, by sex, partner status, state/territory and taxable income, 2009–10 income year**

This table shows the number of single and partnered male, female and total personal taxpayers, classified by state or territory and broken down by taxable income. The taxable income, total income and net tax payable of male, female and total taxpayers in the different states, territories and taxable income ranges are also shown.

**Table 13 Selected items, by occupation code and sex, 2009–10 income year**

This table shows the number of records and amounts for selected income, deductions, tax offsets, and other return items of taxable personal taxpayers classified by salary and wage occupation codes. In addition, the number of non-taxable individuals classified by occupation code is shown. The occupation codes are based on information provided on the individual tax return.

- **Part A: Males** – contains data for male taxpayers only
- **Part B: Females** – contains data for female taxpayers only
- **Part C: All individuals** – contains data for all personal taxpayers

**Table 14 All items, by total income, 2009–10 income year**

This table shows the number of records and amounts for items taxpayers declare on their personal tax return and items calculated by the ATO, based on information provided on the return. Taxpayers and the data are broken down by total income.

- **Part A: ATO calculated and miscellaneous items** – contains data on ATO calculated items such as HELP assessment debt, Medicare levy surcharge, net tax and balance payable or refundable. This part also contains the total number of personal taxpayers who lodged returns.
- **Part B: Income, credits, selected deductible, withheld and adjustment items** – contains taxpayer claimed income items, selected deductible and withheld items (items 1–24 on pages 2–3, and 13–15), adjustments items (A1 on page 7 and A4 on page 16) and selected credit items – including ‘Credit for interest on early payments’ (item C1 on page 16).
- **Part C: Deduction and tax loss items** – contains taxpayer claimed deductions (items D1–D16 on pages 4 and 15) and tax loss items – including tax losses of earlier years claimed (item L1 on page 4).
- **Part D: Tax offset items** – contains tax offsets claimed by taxpayers on their return (items T1–T14 on pages 5 and 16) and other tax offsets calculated by the ATO on behalf of taxpayers – such as the averaging tax offset.
- **Part E: Business and professional items** – contains items from the business and professional items schedule for individuals.



**Table 15 Taxpayers with business income, all items, by total business income, 2009–10 income year**

This table shows the number of records and amounts for items taxpayers declare on their personal tax return and items calculated by the ATO, based on information provided on the return. Taxpayers and the data are broken down by total business income.

The statistics in the table refer only to taxpayers who had business income or losses. These are taxpayers who declared primary or non-primary production business income or losses at the following items on the business and professional items schedule: gross payments where ABN not quoted, gross payments – voluntary agreement, gross payments – labour hire or other specified payments, assessable government industry payments and/or other business income.

- **Part A: ATO calculated and miscellaneous items** – contains data on ATO calculated items such as HELP assessment debt, Medicare levy surcharge, net tax and balance payable or refundable. This part also contains the total number of personal taxpayers who lodged returns.
- **Part B: Income, credits, selected deductible, withheld and adjustment items** – contains taxpayer claimed income items, selected deductible and withheld items (items 1–24 on pages 2–3, and 7–8), adjustments items (A1 on page 5 and A4 on page 9) and selected credit items – including ‘Credit for interest on early payments’ (item C1 on page 9).
- **Part C: Deduction and tax loss items** – contains taxpayer claimed deductions (items D1–D16 on pages 3 and 9) and tax loss items – including tax losses of earlier years claimed (item L1 on page 3).
- **Part D: Tax offset items** – contains tax offsets claimed by taxpayers on their return (items T1–T14 on pages 4 and 9) and other tax offsets calculated by the ATO on behalf of taxpayers – such as the averaging tax offset.
- **Part E: Business and professional items** – contains items from the business and professional items schedule for individuals.

**Table 16 Rental property schedules, by state of property, 2009–10 income year**

This table shows the number of rental property schedules by the state/territory location of the property, for all income and expense items on the schedule.

❗ The number of schedules does not correlate to the number of rental properties because of double counting. Properties can be jointly owned, or can be bought and sold during the same income year, resulting in more than one schedule being completed by different individuals for the same property.

**Table 17 Taxable income compared to total income, by ranges, 2009–10 income year**

This table shows the distribution of taxable individuals across taxable income and total income groupings.

**Table 18 Individuals incurring a HELP debt posting during an income year, by birth year range, 2007–08 to 2009–10 income years**

This table shows the number of individuals who incurred a HELP debt posting, by birth year range, during the 2007–08 to 2009–10 income years. It also shows the total value of the debt postings raised and the value of payments made for these individuals.

**Table 19 HELP debt by age of debt since 1989, as at 30 June 2010**

This table shows the number of individuals who have a debt by the end of the 2009–10 income year, and the sum of their debt by the age of the debt in years.

**Table 20 Postcodes of individuals with a HELP debt since 1989 yet to be repaid by 30 June 2010**

This table shows the number of individuals who have a debt as at 30 June 2010, and the sum of their debt by postcode.

**Table 21 All items, by lodgment method, 2009–10 income year**

This table shows the number of records and amounts for items taxpayers declare on their personal tax return and items calculated by the ATO based on information provided on the return. Taxpayers and the data are classified by the method by which they have lodged their income tax returns, either via e-tax, a tax agent or self prepared on paper.

- **Part A: ATO calculated and miscellaneous items** – contains data on ATO calculated items such as HELP assessment debt, Medicare levy surcharge, net tax and balance payable or refundable. This part also contains the total number of personal taxpayers who lodged returns.

- **Part B: Income, credits, selected deductible, withheld and adjustment items** – contains taxpayer claimed income items, selected deductible and withheld items (items 1–24 on pages 2–3, and 7–8), adjustments items (A1 on page 5 and A4 on page 9) and selected credit items – including ‘Credit for interest on early payments’ (item C1 on page 9).
- **Part C: Deduction and tax loss items** – contains taxpayer claimed deductions (items D1–D16 on pages 3 and 9) and tax loss items – including tax losses of earlier years claimed (item L1 on page 3).
- **Part D: Tax offset items** – contains tax offsets claimed by taxpayers on their return (items T1–T14 on pages 4 and 9) and other tax offsets calculated by the ATO on behalf of taxpayers – such as the averaging tax offset.
- **Part E: Business and professional items** – contains items from the business and professional items schedule for individuals.

**Table 22 Overview of the individual tax system, 1950–51 to 2009–10**

This detailed table provides an overview of various aspects of the tax system that applied to individuals in each income year. This includes the tax rates and thresholds that applied, general offsets allowed and associated thresholds, Medicare rates and thresholds.

- **Part A: 1950–51 to 1959–60**
- **Part B: 1960–61 to 1969–70**
- **Part C: 1970–71 to 1979–80**
- **Part D: 1980–81 to 1989–90**
- **Part E: 1990–91 to 1999–00**
- **Part F: 2000–01 to 2009–10**

**Table 23 Individuals with net income from business operations, by broad industry, 2008–09 and 2009–10 income years**

This table shows numbers and amounts of net business income and net business losses for 2008–09 and 2009–10. The broad industry groups used to classify personal taxpayers are based on the ANZSIC 2006 industry groups.

**Table 24 Medicare levy surcharge by age, sex and income, 2009–10 income year**

This table shows numbers and amounts of Medicare levy surcharge by age, sex and income.

**Table 25 Pre-filling statistics, 2007–08 to 2009–10 income years**

This is a series of graphs showing when data is received by the ATO for the pre-fill service

- **Part A: Pay as you go (PAYG) data available for pre-filling**
- **Part B: Government data available for pre-filling**
- **Part C: Interest data available for pre-filling**
- **Part D: Dividends data available for pre-filling**
- **Part E: Managed funds data available for pre-filling**
- **Part F: Private health insurance policy details available for pre-filling**

**Table 26 Individuals, by average taxable income and location, 2009–10 income year**

This is a series of maps showing the distribution of individuals’ average taxable income across Australia, the states and territories by their residential postcode.

- **Part A: New South Wales**
- **Part B: Victoria**
- **Part C: Queensland**
- **Part D: South Australia**
- **Part E: Western Australia**
- **Part F: Tasmania**
- **Part G: Northern Territory**
- **Part H: Australian Capital Territory**
- **Part I: Australia**

- ❗ To meet privacy regulations, statistics for some items may not be included in these tables.

Page numbers refer to the 2010 individual income tax return form used by tax agents on behalf of their clients. A copy of this form is in the appendix.

